

# CANADA MALTING CO. LIMITED

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## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting (the "Meeting") of the Shareholders of CANADA MALTING CO. LIMITED (the "Corporation") will be held at The Royal York Hotel, in the City of Toronto, Ontario, on Thursday, the 30th day of April, 1981, at 11:30 a.m. (Toronto Time), for the following purposes:

1. To receive and consider the report of the Board of Directors and the consolidated financial statements of the Corporation for the year ended December 31, 1980, together with the auditors' report thereon.
2. To elect a Board of Directors and Honorary Director to hold office until the close of the next annual meeting.
3. To appoint auditors to hold office until the close of the next annual meeting, at a remuneration to be fixed by the Board of Directors.
4. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Shareholders who are unable to attend the Meeting are requested to date, sign and return the enclosed form of proxy in the envelope provided.

Dated at Toronto, Ontario, this 3rd day of March, 1981.

By Order of the Board of Directors,  
GORDON J. CATER  
Secretary-Treasurer

## **MANAGEMENT PROXY CIRCULAR**

This Management Proxy Circular accompanies Notice of the Annual Meeting (the "Meeting") of Shareholders of Canada Malting Co. Limited (the "Corporation") called for Thursday, the 30th day of April, 1981, and is furnished in connection with a solicitation of proxies for use at the Meeting. The report of the Board of Directors for the financial year ended December 31, 1980, including consolidated financial statements, is being mailed to the Shareholders of record concurrently with this Circular.

### **REVOCABILITY OF PROXIES**

A Shareholder giving a proxy has the power to revoke it at any time before it is exercised. A proxy may be revoked (a) by depositing an instrument in writing executed by the Shareholder or by his attorney authorized in writing at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournments thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournments thereof, or (b) in any other manner permitted by law.

### **SOLICITATION OF PROXIES**

Proxies for the Meeting are being solicited by the Management of the Corporation. The cost of solicitation will be borne by the Corporation.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Holders of common shares without par value of the Corporation will be entitled to vote at the Meeting. Each share registered in a Shareholder's name on the date of the Meeting entitles him to one vote. The number of shares entitled to be voted at the meetings is 877,148.

To the knowledge of the Directors and Officers of the Corporation, the only persons who beneficially own or exercise control or direction over shares carrying more than 10% of the votes attached to shares of the Corporation are John Labatt Limited, which owns, controls or directs 122,851 shares, representing 14.01% of the voting shares of the Corporation, and The Molson Companies Limited, which owns, controls or directs 122,851 shares, representing 14.01% of such voting shares.

### **PROXIES AND VOTING**

Shareholders unable to attend the Meeting are requested by Management to complete, sign and return the accompanying form of proxy. Proxies deposited with the Secretary of the Corporation at any time up until the opening of the Meeting may be voted if otherwise valid.

Shares represented by proxies in favour of Management will be voted (subject to any contrary instructions they may contain) for the approval of the report of the Board of Directors and consolidated financial statements for the year ended December 31, 1980, for the election of Directors and Honorary Director proposed by Management, and for the appointment of auditors as indicated below.

The enclosed proxy form confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of the Meeting or other matters that may properly come before the Meeting. Management knows of no such amendments or other matters to come before the Meeting.

A Shareholder has the right to appoint a person (who need not be a Shareholder) as proxyholder to attend and act on his behalf at the Meeting other than the persons designated in the enclosed form of proxy. The Shareholder may exercise this right by striking out the management nominees and inserting the name of his nominee in the space provided in the enclosed form of proxy.

### **REPORT OF DIRECTORS AND FINANCIAL STATEMENTS**

The report of the Board of Directors and the consolidated financial statements for the year ended December 31, 1980 will be placed before the Meeting for its approval. Such approval requires a majority of the votes cast in respect of the resolution.



## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation provides liability insurance for Directors and Officers of the Corporation and its subsidiary in those capacities. Under this insurance coverage the Corporation is insured against any loss arising out of any liability it may have to indemnify a Director or Officer, and individual Directors and Officers are insured for losses arising during the performance of their duties for which they are not indemnified by the Corporation. Exclusions from coverage on such individual Director and Officer insurance include, amongst others, acts of dishonesty and acts which result in personal profit. There is a policy limit of \$10 million in any policy year, subject to deductibles of \$25,000 in respect of the Corporation's indemnity coverage, and \$5,000 per occurrence in respect of the individual Director and Officer subject to an aggregate deductible limit of \$10,000. In addition, five percent of any claim is deductible in all cases. The entire premium cost in the aggregate amount of \$5,698 for the financial year ended December 31, 1980 was borne by the Corporation.

## **APPOINTMENT OF AUDITORS**

Price Waterhouse & Co. have been auditors of the Corporation since 1927. The persons named in the accompanying form of proxy intend to vote for the reappointment of Price Waterhouse & Co. as auditors of the Corporation at a remuneration to be fixed by the Board of Directors, unless a proxy provides for withholding shares from voting.

## **APPROVAL BY BOARD OF DIRECTORS**

The Board of Directors has approved the contents and the sending of this Management Proxy Circular.

TORONTO, ONTARIO  
March 3, 1981

GORDON J. CATER  
Secretary-Treasurer



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TORONTO, ONTARIO  
March 3, 1981

GORDON J. CATER  
Secretary-Treasurer



## ELECTION OF DIRECTORS

The present Board consists of ten Directors. The term of office for each Director elected shall be from the date of the Meeting until the close of the next annual meeting or until his successor is elected or appointed. It is proposed that the following will be nominated at the Meeting. A proxy pursuant to this solicitation will be voted for the election of such persons as Directors, unless the proxy provides for withholding shares from voting. If for some reason any of the proposed nominees are unable to serve, the persons named in the proxy will use their best judgment in voting on alternate nominees.

The following are the names of such proposed nominees, all other positions and offices with the Corporation (if any) now held by them, their principal occupations, the years in which they were first elected as Directors of the Corporation, and the approximate number of shares of the Corporation beneficially owned or over which control or direction is exercised by each of such nominees. The information of such shares of the Corporation so owned, controlled or directed, not being within the knowledge of Management, has been furnished by the respective nominees.

<u>Name of Proposed Nominee</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Number of Common Shares Beneficially Owned Controlled or Directed as of February 28, 1981</u>
John W. Adams, FCA	President, Emco Limited, London, Ontario, the principal business of which is the manufacture and distribution of plumbing, heating and industrial supplies, which office he has held since 1978 prior to which he was Executive Vice President since 1975.	1980	Nil
Robert Després, O.C.	Chairman of the Board of Atomic Energy of Canada Limited, Ottawa, Ontario, the principal business of which is nuclear energy, which office he has held since November, 1980, and President and Chief Executive Officer, Netcom Inc., which office he has held since 1978, prior to which he was President and Chief Executive Officer, National Cablevision Ltd., and Comgen Inc. since 1978 prior to which he was President of the University of Quebec since 1973.	1980	100
Cecil F. Edwards	President and Chief Executive Officer of the Corporation.	1979	201
Douglas W. Elliott	Vice President, Sales of the Corporation.	1978	465
James C. Grant	Vice President and General Manager of the Corporation.	1976	1,000
W. Douglas Hatch (A)	Chairman of the Board of T.G. Bright & Co., Limited, Niagara Falls, Ontario, the principal business of which is wine manufacturing.	1959	1,400*
John P.G. Kemp (A)	Corporate Director and Consultant to The Molson Companies Limited.	1978	Nil**
Wallace F. Read (A)	Senior Vice President, John Labatt Limited (Brewing Operations), London, Ontario.	1975	Nil***
George H. Sellers	President, Sellers, Dickson Securities Ltd., Winnipeg, Manitoba, the principal business of which is investment consulting.	1960	404
Reginald J. Thomas	Chairman of the Board of the Corporation.	1966	1,500

(A) Member of the Audit Committee, of which W. Douglas Hatch is Chairman.

\* These shares are in addition to 16,592 common shares held in trusts, from which W. Douglas Hatch receives the life income.

\*\* Holds in his own name one share of the Corporation which is beneficially owned by The Molson Companies Limited.

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## ELECTION OF HONORARY DIRECTOR

Shareholders may elect as an Honorary Director any Shareholder who was a member of the Board of Directors at the time of the commencement of the first annual meeting of Shareholders after he attained the age of seventy years. It is proposed that the undermentioned will be nominated at the Meeting.

Name	Number of Common Shares Beneficially Owned, Controlled or Directed as of February 28, 1981
Leonard G. Lumbers	1

Mr. Lumbers is Chairman of Noranda Manufacturing Ltd., Toronto, Ontario, and was a Director of the Corporation from 1974 to 1979.

## REMUNERATION OF MANAGEMENT AND OTHERS

### STATEMENT

#### DIRECTORS' AND OFFICERS' REMUNERATION FROM THE CORPORATION AND ITS SUBSIDIARY

#### NATURE OF REMUNERATION EARNED

	Directors' fees	Salaries	Bonuses	Non-accountable expense allowance	Other	Total
REMUNERATION OF DIRECTORS						
(A) Number of Directors: 10	\$32,400	—	—	—	—	\$32,400
(B) Body Corporate incurring the expense: The Corporation						
REMUNERATION OF OFFICERS						
(A) Number of Officers: 7	—	\$303,555	—	—	—	\$303,555
(B) Body Corporate incurring the expense: The Corporation						
TOTALS	\$32,400	\$303,555	—	—	—	\$335,955

Estimated aggregate cost to the Corporation and its subsidiary in 1980 of all benefits proposed to be paid to the seven officers of the Corporation under existing pension or retirement plans on retirement at normal retirement age is \$21,677.

For 1980, consulting fees and retirement allowances paid pursuant to agreements with officers retired from active employment totalled \$37,294. The total of all amounts proposed to be paid in the future under such or similar arrangements is \$22,643.

### STOCK OPTIONS

During 1980 officers of the Corporation as a group have exercised options to purchase common shares under the Corporation's Employee Stock Option Plan as follows:

Shares Purchased	Purchase Price Per Share	Price Range of Shares on the Toronto Stock Exchange in 30 Day period preceding purchase
400	\$22.28	\$29 — 30¼
500	\$22.28	\$29 — 31
100	\$22.28	\$29 — 31
100	\$22.28	\$29 — 31
370	\$22.28	\$29 — 31

